



DEPARTMENT OF COMMERCE

International Trade Administration

[A-552-827]

Mattresses from the Socialist Republic of Vietnam: Final Affirmative Determination of Sales at Less Than Fair Value

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (Commerce) determines that imports of mattresses from the Socialist Republic of Vietnam (Vietnam) are being, or are likely to be, sold in the United States at less than fair value (LTFV). The period of investigation (POI) is July 1, 2019, through December 31, 2019.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Stephen Bailey or Dakota Potts, AD/CVD Operations, Office IV, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0193 or (202) 482-0223, respectively.

SUPPLEMENTARY INFORMATION:

Background

On November 3, 2020, Commerce published the *Preliminary Determination* in the LTFV investigation of mattresses from Vietnam, in which we also postponed the final determination until March 18, 2021.¹ The petitioners in this investigation are Brooklyn Bedding, Corsicana Mattress Company, Elite Comfort Solutions, FXI, Inc., Innocor, Inc., Kolcraft Enterprises, Inc., Leggett & Platt, Incorporated, the International Brotherhood of Teamsters, and United Steel,

¹ See *Mattresses from the Socialist Republic of Vietnam: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures*, 85 FR 69591 (November 3, 2020) (*Preliminary Determination*), and accompanying Preliminary Decision Memorandum (Preliminary Decision Memorandum).

Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO (“USW”) (collectively, the petitioners). The mandatory respondents in this investigation are Wanek Furniture Co., Ltd., Millennium Furniture Co., Ltd., and Comfort Bedding Co., Ltd. (collectively, Ashley Group) and Vietnam Glory Home Furnishings Co., Ltd. and Glory (Viet Nam) Industry Co., Ltd. (collectively, Vietnam Glory). We invited interested parties to comment on the *Preliminary Determination*.² A summary of the events that occurred since Commerce published the *Preliminary Determination* may be found in the Issues and Decision Memorandum.³ The Issues and Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly at <http://enforcement.trade.gov/frn/>.

Scope of the Investigation

The products covered by this investigation are mattresses from Vietnam. For a full description of the scope of this investigation, *see* the “Scope of the Investigation,” at Appendix I.

Scope Comments

In Commerce’s Preliminary Scope Decision Memorandum, we set aside a period of time for parties to raise issues regarding product coverage (*i.e.*, scope) in scope case briefs or other written comments on scope issues.⁴ Certain interested parties commented on the scope of the investigation as it appeared in the Preliminary Scope Decision Memorandum, unchanged from the *Initiation Notice*.⁵ For a summary of the product coverage comments and rebuttal responses

² *Id.*

³ *See* Memorandum, “Issues and Decision Memorandum for the Final Affirmative Determination in the Less-Than-Fair-Value Investigation of Mattresses from the Socialist Republic of Vietnam,” dated concurrently with, and hereby adopted by, this notice (Issues and Decision Memorandum).

⁴ *See* Memorandum, “Mattresses from Cambodia, Indonesia, Malaysia, Serbia, Thailand, the Republic of Turkey, the Socialist Republic of Vietnam, and the People’s Republic of China: Scope Comments Decision Memorandum for the Preliminary Determination,” dated October 27, 2020 (Preliminary Scope Decision Memorandum).

⁵ *See Mattresses from Cambodia, Indonesia, Malaysia, Serbia, Thailand, the Republic of Turkey, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations*, 85 FR 23002 (April 24, 2020) (*Initiation Notice*).

submitted to the record for this final determination, and accompanying discussion and analysis of all comments timely received, *see* the Final Scope Memorandum.⁶ In the Final Scope Memorandum, Commerce determined that it is not modifying the scope language as it appeared in the *Initiation Notice*. *See* the scope in Appendix I to this notice.

Analysis of Comments Received

All issues raised in the case and rebuttal briefs that were submitted by parties in this investigation are addressed in the Issues and Decision Memorandum. A list of the issues addressed in the Issues and Decision Memorandum is attached to this notice at Appendix II.

Verification

Commerce was unable to conduct on-site verification of the information relied upon in making its final determination in this investigation. However, we took additional steps in lieu of an on-site verification to verify the information relied upon in making this final determination, in accordance with section 782(i) of the Tariff Act of 1930, as amended (the Act).⁷

Methodology

Commerce conducted this investigation in accordance with section 731 of the Act. Export price was calculated in accordance with section 772(a) of the Act. Constructed export price was calculated in accordance with section 772(b) of the Act. Because Vietnam is a non-market economy within the meaning of section 771(18) of the Act, normal value was calculated in accordance with section 773(c) of the Act. For a full description of the methodology underlying Commerce's determination, *see* the Preliminary Decision Memorandum; *see also* the Issues and Decision Memorandum.

Changes Since the Preliminary Determination

Based on our analysis of the comments received and the information received in lieu of

⁶ *See* Memorandum, "Mattresses from Cambodia, Indonesia, Malaysia, Serbia, Thailand, the Republic of Turkey, the Socialist Republic of Vietnam, and the People's Republic of China: Final Scope Decision Memorandum," dated concurrently with, and hereby adopted by, this notice (Final Scope Memorandum).

⁷ *See* Commerce's Letter, "Antidumping Duty Investigation of Mattresses from Indonesia: Supplemental Questionnaire in Lieu of On-Site Verification," dated January 19, 2021.

on-site verification, we made certain changes to the margin calculation for Ashley Group. For a discussion of these changes, *see* the Issues and Decision Memorandum.

Vietnam-Wide Entity and Use of Adverse Facts Available

For the reasons explained in the *Preliminary Determination*, we continue to find that the use of adverse facts available (AFA), pursuant to sections 776(a) and (b) of the Act, is warranted in determining the rate for the mandatory respondent, Vietnam Glory, and for the Vietnam-wide entity. In selecting the AFA rate for Vietnam Glory and the Vietnam-wide entity, Commerce's practice is to select a rate that is sufficiently adverse to ensure that the uncooperative party does not obtain a more favorable result by failing to cooperate than if it had fully cooperated.⁸ For the final determination, we are unable to corroborate the two highest dumping margins calculated in the petition, *i.e.*, 989.90 and 686.59 percent. However, we are able to corroborate the third highest margin calculated in the petition, *i.e.*, 668.38 percent, by examining the U.S. price and normal value that are the basis of the dumping margins alleged in the petition compared to the U.S. prices reported by Ashley Group and the normal values calculated for Ashley Group in this investigation. For the final determination, we are assigning Vietnam Glory and the Vietnam-wide entity, as AFA, the highest dumping margin calculated in the petition which we are able to corroborate using the component method and Ashley Group's record data, a dumping margin of 668.38 percent. For further discussion, *see* the Issues and Decision Memorandum at "Use of Adverse Facts Available"⁹ and the proprietary memorandum accompanying the Issues and Decision Memorandum for a full proprietary analysis.¹⁰

Separate Rates

We received one comment about our decision in the *Preliminary Determination* to grant

⁸ *See, e.g., Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Purified Carboxymethyl Cellulose from Finland*, 69 FR 77216 (December 27, 2004), unchanged in *Notice of Final Determination of Sales at Less Than Fair Value: Purified Carboxymethyl Cellulose from Finland*, 70 FR 28279 (May 17, 2005).

⁹ *See* Issues and Decision Memorandum.

¹⁰ *See* Memorandum, "Corroboration of the Adverse Facts Available Rate for the Final Determination in the Less-Than-Fair-Value Investigation of Mattresses from the Socialist Republic of Vietnam," dated concurrently with, and hereby adopted by, this notice .

separate rate status to 11 companies, including Ashley Group and Vietnam Glory. However, we have not changed our decision from the *Preliminary Determination* for the final determination.¹¹ The exporters granted separate rate status in this final determination are listed in the table in the “Final Determination” section of this notice. We continue to assign the estimated weighted-average dumping margin for Ashley Group to the exporters not individually examined that are entitled to a separate rate. The companies denied a separate rate will be treated as part of the Vietnam-wide entity.

Combination Rates

As explained in the *Initiation Notice* and implemented in the *Preliminary Determination*, we have continued to calculate producer/exporter combination rates for the respondents that are eligible for a separate rate.¹² Policy Bulletin 05.1 describes this practice.¹³

Final Determination

The final estimated weighted-average dumping margins are as follows:

Producer	Exporter	Estimated Weighted-Average Dumping Margin (percent)
Cong Ty TNHH Nem Thien Kim (a.k.a. Better Z's, Ltd.)	Dockter China Limited	144.92
Hava's Co., Ltd	Hava's Co., Ltd	144.92
Cong Ty TNHH Nem Thien Kim (a.k.a. Better Z's, Ltd.)	Healthcare Sleep Products Limited	144.92
Gesin Vietnam Co., Ltd.	Hong Kong Gesin Technology Limited	144.92
Sinomax (Vietnam) Household Products Limited	Sinomax International Trading Limited	144.92

¹¹ See Issues and Decision Memorandum at Comment 8 for a complete discussion and analysis.

¹² See *Initiation Notice*; see also *Preliminary Determination*.

¹³ See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, “Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries,” (April 5, 2005) (Policy Bulletin 05.1), available on Commerce's website at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

Sinomax (Vietnam) Household Products Limited	Sinomax Macao Commercial Offshore Limited	144.92
Super Foam Vietnam Ltd	Super Foam Vietnam Ltd	144.92
Taimei Company Limited (a.k.a. Taimei Co., Ltd)	Taimei Company Limited (a.k.a. Taimei Co., Ltd)	144.92
Tong Li Vietnam Industrial Co., LTD	Tong Li Vietnam Industrial Co., LTD	144.92
Vietnam Glory Home Furnishings Co.,Ltd./Glory (Viet Nam) Industry Co., Ltd.	Vietnam Glory Home Furnishings Co.,Ltd./Glory (Viet Nam) Industry Co., Ltd.	668.38
Wanek Furniture Co., Ltd./Millennium Furniture Co., Ltd./Comfort Bedding Company Limited.	Wanek Furniture Co., Ltd./Millennium Furniture Co., Ltd./Comfort Bedding Company Limited.	144.92
Vietnam-wide Entity		668.38

Disclosure

We intend to disclose to interested parties under Administrative Protective Order (APO), the calculations performed in connection with this final determination within five days of any public announcement or, if there is no public announcement, within five days of the date of publication of the notice of final determination in the *Federal Register*, in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

In accordance with section 735(c)(1)(B) of the Act, Commerce will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all appropriate entries of mattresses from Indonesia, as described in Appendix I of this notice, which are entered, or withdrawn from warehouse, for consumption on or after November 3, 2020, the date of publication of the *Preliminary Determination* in the *Federal Register*.

Pursuant to section 735(c)(1)(B)(ii) of the Act and 19 CFR 351.210(d), upon publication of this notice, Commerce will instruct CBP to require a cash deposit for estimated antidumping duties for such entries as follows: (1) for the exporter/producer combinations listed in the table

above, the cash deposit rate is equal to the estimated weighted-average dumping margin listed for that combination in the table; (2) for all combinations of Vietnamese exporters/producers not listed in the above table, the cash deposit rate is equal to the estimated weighted-average dumping margin listed in the table for the Vietnam-wide entity; and (3) for all non-Vietnamese exporters not listed in the table above, the cash deposit rate is equal to the cash deposit rate applicable to the Vietnamese exporter/producer combination (or the Vietnam-wide entity) that supplied that non-Vietnamese exporter.

These suspension of liquidation instructions will remain in effect until further notice.

International Trade Commission Notification

In accordance with section 735(d) of the Act, we will notify the International Trade Commission (ITC) of the final affirmative determination of sales at LTFV. Because the final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will make its final determination as to whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of subject mattresses, no later than 45 days after this final determination. If the ITC determines that such injury does not exist, this proceeding will be terminated, and all cash deposited for antidumping duties will be refunded. If the ITC determines that such injury does exist, Commerce will issue an antidumping duty order directing CBP to assess, upon further instruction by Commerce, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation, as discussed above in the “Continuation of Suspension of Liquidation” section.

Notification Regarding APO

This notice serves as a reminder to the parties subject to APO of their responsibility concerning the disposition of propriety information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return or destruction of APO materials or,

alternatively, conversion to judicial protective order, is hereby requested. Failure to comply with the regulations and terms of an APO is a violation that is subject to sanction.

Notification to Interested Parties

This determination is issued and published pursuant to sections 735(d) and 777(i)(1) of the Act, and 19 CFR 351.210(c).

Dated: March 18, 2021.

Christian Marsh,
Acting Assistant Secretary for Enforcement and Compliance.

Appendix I

Scope of the Investigation

The products covered by this investigation are all types of youth and adult mattresses. The term “mattress” denotes an assembly of materials that at a minimum includes a “core,” which provides the main support system of the mattress, and may consist of innersprings, foam, other resilient filling, or a combination of these materials. Mattresses may also contain: (1) “upholstery,” the material between the core and the top panel of the ticking on a single-sided mattress; or between the core and the top and bottom panel of the ticking on a double-sided mattress; and/or (2) “ticking,” the outermost layer of fabric or other material (*e.g.*, vinyl) that encloses the core and any upholstery, also known as a cover.

The scope of this investigation is restricted to only “adult mattresses” and “youth mattresses.” “Adult mattresses” are frequently described as “twin,” “extra-long twin,” “full,” “queen,” “king,” or “California king” mattresses. “Youth mattresses” are typically described as “crib,” “toddler,” or “youth” mattresses. All adult and youth mattresses are included regardless of size and size description.

The scope encompasses all types of “innerspring mattresses,” “non-innerspring mattresses,” and “hybrid mattresses.” “Innerspring mattresses” contain innersprings, a series of metal springs joined together in sizes that correspond to the dimensions of mattresses. Mattresses that contain innersprings are referred to as “innerspring mattresses” or “hybrid mattresses.” “Hybrid mattresses” contain two or more support systems as the core, such as layers of both memory foam and innerspring units.

“Non-innerspring mattresses” are those that do not contain any innerspring units. They are generally produced from foams (*e.g.*, polyurethane, memory (viscoelastic), latex foam, gel-infused viscoelastic (gel foam), thermobonded polyester, polyethylene) or other resilient filling.

Mattresses covered by the scope of this investigation may be imported independently, as part of furniture or furniture mechanisms (*e.g.*, convertible sofa bed mattresses, sofa bed mattresses imported with sofa bed mechanisms, corner group mattresses, day-bed mattresses, roll-away bed mattresses, high risers, trundle bed mattresses, crib mattresses), or as part of a set in combination with a “mattress foundation.” “Mattress foundations” are any base or support for a mattress. Mattress foundations are commonly referred to as “foundations,” “boxsprings,” “platforms,” and/or “bases.” Bases can be static, foldable, or adjustable. Only the mattress is covered by the scope if imported as part of furniture, with furniture mechanisms, or as part of a set in combination with a mattress foundation.

Excluded from the scope of this investigation are “futon” mattresses. A “futon” is a bi-fold frame made of wood, metal, or plastic material, or any combination thereof, that functions as both seating furniture (such as a couch, love seat, or sofa) and a bed. A “futon mattress” is a tufted mattress, where the top covering is secured to the bottom with thread that goes completely through the mattress from the top through to the bottom, and it does not contain innersprings or foam. A futon mattress is both the bed and seating surface for the futon.

Also excluded from the scope are airbeds (including inflatable mattresses) and waterbeds, which consist of air- or liquid-filled bladders as the core or main support system of the mattress.

Also excluded is certain multifunctional furniture that is convertible from seating to sleeping, regardless of filler material or components, where that filler material or components are

upholstered, integrated into the design and construction of, and inseparable from, the furniture framing, and the outermost layer of the multifunctional furniture converts into the sleeping surface. Such furniture may, and without limitation, be commonly referred to as “convertible sofas,” “sofabeds,” “sofa chaise sleepers,” “futons,” “ottoman sleepers” or a like description.

Also excluded from the scope of this investigation are any products covered by the existing antidumping duty orders on uncovered innerspring units from China or Vietnam. *See Uncovered Innerspring Units from the People’s Republic of China: Notice of Antidumping Duty Order*, 74 FR 7661 (February 19, 2009); *Antidumping Duty Order: Uncovered Innerspring Units from the Socialist Republic of Vietnam*, 73 FR 75391 (December 11, 2008).

Also excluded from the scope of this investigation are bassinet pads with a nominal length of less than 39 inches, a nominal width less than 25 inches, and a nominal depth of less than 2 inches.

Additionally, also excluded from the scope of this investigation are “mattress toppers.” A “mattress topper” is a removable bedding accessory that supplements a mattress by providing an additional layer that is placed on top of a mattress. Excluded mattress toppers have a height of four inches or less.

The products subject to this investigation are currently properly classifiable under HTSUS subheadings: 9404.21.0010, 9404.21.0013, 9404.29.1005, 9404.29.1013, 9404.29.9085, and 9404.29.9087. Products subject to this investigation may also enter under HTSUS subheadings: 9404.21.0095, 9404.29.1095, 9404.29.9095, 9401.40.0000, and 9401.90.5081. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise subject to this investigation is dispositive.

Appendix II

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Period of Investigation
- IV. Use of Adverse Facts Available
- V. Changes Since the Preliminary Determination
- VI. Discussion of the Issues
 - Comment 1: Whether to Continue to Apply Total AFA to Vietnam Glory
 - Comment 2: Whether to Continue to Use Emirates Sleep Financial Statements to Calculate Surrogate Financial Ratios
 - Comment 3: Whether to Continue to Use Indian Harmonized Tariff Schedule (HTS) Code 9404.20.90 to Value Innerspring Units
 - Comment 4: Whether to Base Prices for Sleeper Sofa Mattresses on Market Values
 - Comment 5: Surrogate Value (SV) Classification of Certain Ashley Group Inputs
 - Comment 6: SAS Programming Errors for U.S. Sales Expenses Related to Sleeper Sofa Mattresses
 - Comment 7: SAS Programming Errors for Ocean Freight, Marine Insurance, Brokerage and Handling, and Packing Glue
 - Comment 8: Whether Commerce Should Include Ashley Furniture Industries (AFI) and Ashley Furniture Trading Company (AFTC) in Ashley Group's Combination Cash Deposit Rate
- VII. Recommendation

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